



*Easy Read Edition*

# **Follow the Money:** **The U.S. Budget and You**

## **Part 2: What is the federal budget?**

## 2. What is the federal budget?

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A **budget** is a plan for getting and spending money. A budget has four main parts:



1. The amount of money you want to have



2. How you plan to get the money.



3. What you want to buy with the money.



4. How much money you want to spend on each thing

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5526  
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3980



Anyone can have a budget. You might have a budget to keep track of how much money you spend on things you want or need.



The government has budgets too.



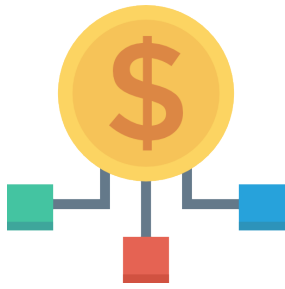
**State governments** are in charge of one state, like Texas or California.



The federal government is in charge of our entire country.



State governments and the federal government each have their own different budgets. This toolkit will focus on the **federal government.**



The federal government uses its budget to decide how much money to spend on different things. For example:



- Medicaid



- Roads



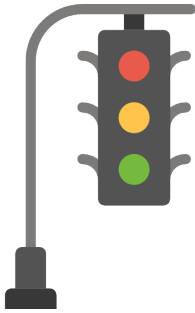
- Police



- Science research to look for cures for diseases



The federal government makes a budget every year. The year the budget is for is called the **fiscal year**.



A fiscal year starts and stops at different times than a regular year.



A normal year is like a calendar. A normal year starts in January and ends in December.



The federal government's fiscal year is different. The fiscal year starts in October and ends in September.

For example, the normal year for 2018 starts in January 2018 and ends in December 2018.



The fiscal year for 2018 starts in October of 2017 and ends in September of 2018.



# Words to Know



## **budget**

A plan for saving and spending money.



## **federal government**

The government that is charge of the entire country and is based in Washington, D.C.



## **fiscal year**

A fiscal year starts and stops at different times than a regular year. For example, a normal year starts in January and ends in December.



## state government



State governments are almost exactly the same as the federal government. State governments are just on a smaller scale. State governments make laws that apply to their states.